

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 942
94TH GENERAL ASSEMBLY

Reported from the Committee on Education, February 21, 2008, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

3956S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 340.337, 340.341, 340.375, 340.381, 340.384, 340.387, 340.390, 340.393, and 340.396, RSMo, and to enact in lieu thereof nine new sections relating to large animal veterinary students, with an expiration date for certain sections.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 340.337, 340.341, 340.375, 340.381, 340.384, 340.387, 340.390, 340.393, and 340.396, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as sections 340.337, 340.341, 340.375, 340.381, 340.384, 340.387, 340.390, 340.393, and 340.396, to read as follows:

340.337. As used in sections 340.335 to 340.405, the following terms shall mean:

(1) "Areas of defined need", areas designated by the department pursuant to section 340.339, when services of a large animal veterinarian are needed to improve the veterinarian-patient ratio in the area, or to contribute professional veterinary services to an area of economic impact;

(2) "College", the college of veterinary medicine at the University of Missouri-Columbia;

(3) "Department", the Missouri department of agriculture;

(4) "Director", director of the Missouri department of agriculture;

(5) "Eligible student", a resident who has been accepted as, **or is**, a full-time student at the University of Missouri-Columbia enrolled in the doctor of veterinary medicine degree program at the college of veterinary medicine;

(6) "**Large animal**", **an animal which is raised, bred, or maintained for its parts or products having a commercial value including, but not**

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 **limited to, its muscle tissue, organs, fat, blood, manure, bones, milk,**
17 **wool, hide, pelt, feathers, eggs, semen, or embryos;**

18 (7) "Large animal veterinarian", veterinarians licensed pursuant to this
19 chapter, engaged in general or large animal practice as their primary focus of
20 practice, and who have a substantial portion of their practice devoted to large
21 animal veterinary medicine;

22 [(7)] (8) "Qualified applicant", an eligible student approved by the
23 department for participation in the large animal veterinary student loan program
24 established by sections [340.375 to 340.405] **340.381 to 340.396;**

25 [(8)] (9) "Qualified employment", employment as a large animal
26 veterinarian and where a substantial portion of business involves the treatment
27 of large animals on a full-time basis in Missouri located in an area of need as
28 determined by the department of agriculture. Qualified employment shall not
29 include employment with a large-scale agribusiness enterprise, corporation, or
30 entity. Any forgiveness of such principal and interest for any qualified applicant
31 engaged in qualified employment on a less than full-time basis may be prorated
32 to reflect the amounts provided in this section;

33 [(9)] (10) "Resident", any person who has lived in this state for one or
34 more years for any purpose other than the attending of an educational institution
35 located within this state.

340.341. 1. The department shall adopt and promulgate rules
2 establishing standards for determining eligible [persons] **students** for loan
3 repayment pursuant to sections 340.335 to 340.350. Such standards shall
4 include, but are not limited to the following:

- 5 (1) Citizenship or **lawful** permanent residency in the United States;
- 6 (2) Residence in the state of Missouri;
- 7 (3) Enrollment as a full-time veterinary medical student in the final year
8 of a course of study offered by an approved educational institution in Missouri;
- 9 (4) Application for loan repayment.

10 2. The department shall not grant repayment for more than six
11 veterinarians each year.

340.375. 1. The department of agriculture shall implement and
2 administer the large animal veterinary [student loan] **medicine loan**
3 **repayment** program established under sections [340.375 to 340.405] **340.335 to**
4 **340.350**, and the large animal veterinary [medicine loan repayment] **student**
5 **loan** program established under sections [340.335 to 340.350] **340.381 to**
6 **340.396.**

7 2. An advisory panel of not more than five members shall be appointed by

8 the director. The panel shall consist of three licensed large animal veterinarians,
9 the dean of the college or his or her designee, and one public member from the
10 agricultural sector. The panel shall make recommendations to the director on the
11 content of any rules, regulations or guidelines under sections 340.335 to [340.405]
12 **340.396** prior to their promulgation. The panel may make recommendations to
13 the director regarding fund allocations for loans and loan repayment based on
14 current veterinarian shortage needs.

15 3. The department of agriculture shall promulgate reasonable rules and
16 regulations for the administration of sections [340.375 to 340.405] **340.381 to**
17 **340.396**, including but not limited to rules for disbursements and repayment of
18 loans. It shall prescribe the form, the time and method of filing applications and
19 supervise the proceedings thereof. Any rule or portion of a rule, as that term is
20 defined in section 536.010, RSMo, that is created under the authority delegated
21 in this section shall become effective only if it complies with and is subject to all
22 of the provisions of chapter 536, RSMo, and, if applicable, section 536.028,
23 RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the
24 powers vested with the general assembly pursuant to chapter 536, RSMo, to
25 review, to delay the effective date, or to disapprove and annul a rule are
26 subsequently held unconstitutional, then the grant of rulemaking authority and
27 any rule proposed or adopted after August 28, 2007, shall be invalid and void.

340.381. 1. **Sections 340.381 to 340.396 establish a student loan**
2 **forgiveness program for approved veterinary students who practice in**
3 **areas of defined need. Such program shall be known as the "Large**
4 **Animal Veterinary Student Loan Program".**

5 2. There is hereby created in the state treasury the "Veterinary Student
6 Loan Payment Fund", which shall consist of general revenue appropriated to the
7 large animal veterinary student loan program, voluntary contributions to support
8 or match program activities, money collected under section 340.396, and funds
9 received from the federal government. The state treasurer shall be custodian of
10 the fund and shall approve disbursements from the fund in accordance with
11 sections 30.170 and 30.180, RSMo. Upon appropriation, money in the fund shall
12 be used solely for the administration of sections [340.375 to 340.405] **340.375 to**
13 **340.396**. Notwithstanding the provisions of section 33.080, RSMo, to the
14 contrary, any moneys remaining in the fund at the end of the biennium shall not
15 revert to the credit of the general revenue fund. The state treasurer shall invest
16 moneys in the fund in the same manner as other funds are invested. Any interest
17 and moneys earned on such investments shall be credited to the fund.

340.384. [The department of agriculture shall enter into a contract with

2 each qualified applicant receiving financial assistance under the provisions of
3 sections 340.375 to 340.405 for repayment of the principal and
4 interest] 1. **Eligible students may apply to the department for financial**
5 **assistance under the provisions of sections 340.381 to 340.396. If, at the**
6 **time of application for a loan, a student has formally applied for**
7 **acceptance at the college, receipt of financial assistance is contingent**
8 **upon acceptance and continued enrollment at the college. A qualified**
9 **applicant may receive financial assistance up to twenty thousand**
10 **dollars for each academic year he or she remains a student in good**
11 **standing at the college, provided that the cumulative total shall not**
12 **exceed eighty thousand dollars per qualified applicant. An eligible**
13 **student may apply for financial assistance under this section at any**
14 **point in his or her educational career at the college, however any such**
15 **financial assistance shall only be awarded for current or future**
16 **academic years, as applicable, and shall not be awarded for any**
17 **academic year completed prior to the time of application.**

18 2. **Up to six qualified applicants per academic year may be**
19 **awarded loans under the provisions of sections 340.381 to**
20 **340.396. Priority for loans shall be given to eligible students who have**
21 **established financial need. All financial assistance shall be made from**
22 **funds credited to the veterinary student loan payment fund.**

340.387. [Eligible students may apply to the department for financial
2 assistance under the provisions of sections 340.375 to 340.405. If, at the time of
3 application for a loan, a student has formally applied for acceptance at the
4 college, receipt of financial assistance is contingent upon acceptance and
5 continued enrollment at the college. A qualified applicant may receive financial
6 assistance for each academic year he or she remains a student in good standing
7 at the college] 1. **The department of agriculture shall enter into a**
8 **contract with each qualified applicant receiving financial assistance**
9 **under the provisions of sections 340.381 to 340.396. Such contract shall**
10 **specify terms and conditions of loan forgiveness through qualified**
11 **employment as well as terms and conditions for repayment of the**
12 **principal and interest.**

13 2. **The department shall establish schedules for repayment of the**
14 **principal and interest on any financial assistance made under the**
15 **provisions of sections 340.381 to 340.396. Interest at the rate of nine**
16 **and one-half percent per annum shall be charged on all financial**
17 **assistance made under the provisions of sections 340.381 to 340.396, but**

18 the interest and principal of the total financial assistance granted to a
19 qualified applicant at the time of the successful completion of a doctor
20 of veterinary medicine degree program shall be forgiven through
21 qualified employment.

22 3. For each year of qualified employment that an individual
23 contracts to serve in an area of defined need, the department may
24 forgive up to twenty thousand dollars on behalf of the individual for
25 financial assistance provided under sections 340.381 to 340.396.

340.390. [Up to six qualified applicants per academic year may be
2 awarded loans of up to eighty thousand dollars per applicant under the provisions
3 of sections 340.375 to 340.405. Priority for loans shall be given to eligible
4 students who have established financial need. All financial assistance shall be
5 made from funds credited to the veterinary student loan payment fund] 1. A
6 recipient of financial assistance under sections 340.381 to 340.396 who
7 does not meet the qualified employment obligations agreed upon by
8 contract under section 340.387, shall begin repayment of the loan
9 principal and interest in accordance with the contract within six
10 months of the first day on which the recipient did not meet the
11 qualified employment obligations. If a qualified applicant ceases his or
12 her study prior to successful completion of a degree or graduation from
13 the college, interest at the rate specified in section 340.387 shall be
14 charged on the amount of financial assistance received from the state
15 under the provisions of sections 340.381 to 340.396, and repayment, in
16 accordance with the contract, shall begin within ninety days of the date
17 the financial aid recipient ceased to be an eligible student. All funds
18 repaid by recipients of financial assistance to the department shall be
19 deposited in the veterinary student loan payment fund for use pursuant
20 to sections 340.381 to 340.396.

21 2. The department shall grant a deferral of interest and principal
22 payments to a recipient of financial assistance under sections 340.381
23 to 340.396 who is pursuing a post degree training program, is on active
24 duty in any branch of the armed forces of the United States, or upon
25 special conditions established by the department. The deferral shall
26 not exceed four years. The status of each deferral shall be reviewed
27 annually by the department to ensure compliance with the intent of
28 this section.

340.393. [The department shall establish schedules for repayment of the
2 principal and interest on any financial assistance made under the provisions of

3 sections 340.375 to 340.405. Interest at the rate of nine and one-half percent per
4 annum shall be charged on all financial assistance made under the provisions of
5 sections 340.375 to 340.405, but the interest and principal of the total financial
6 assistance granted to a qualified applicant at the time of the successful
7 completion of a doctor of veterinary medicine degree program shall be forgiven
8 through qualified employment] **When necessary to protect the interest of**
9 **the state in any financial assistance transaction under sections 340.381**
10 **to 340.396, the department may institute any action to recover any**
11 **amount due.**

340.396. [The financial assistance recipient shall repay the financial
2 assistance principal and interest beginning not more than one year after
3 completion of the degree for which the financial assistance was made in
4 accordance with the repayment contract. If an eligible student ceases his or her
5 study prior to successful completion of a degree or graduation from the college,
6 interest at the rate specified in section 340.393 shall be charged on the amount
7 of financial assistance received from the state under the provisions of sections
8 340.375 to 340.405, and repayment, in accordance with the repayment contract,
9 shall begin within ninety days of the date the financial aid recipient ceased to be
10 an eligible student. All funds repaid by recipients of financial assistance to the
11 department shall be deposited in the veterinary student loan payment fund for
12 use pursuant to sections 340.375 to 340.405] **1. Sections 340.381 to 340.396**
13 **shall not be construed to require the department to enter into contracts**
14 **with individuals who qualify for education loans or loan repayment**
15 **programs when federal, state, and local funds are not available for such**
16 **purposes.**

17 **2. Sections 340.381 to 340.396 shall not be subject to the**
18 **provisions of sections 23.250 to 23.298, RSMo.**

19 **3. Sections 340.381 to 340.396 shall expire on June 30, 2013.**

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